

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Genesee County Building Authority	County Genesee
Fiscal Year End September 30, 2007	Opinion Date March 6, 2008	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

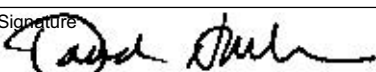
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ NO ☐ **Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	No letter was necessary.		
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) Plante & Moran, PLLC		Telephone Number 810-767-5350		
Street Address 111 East Court Street, Suite 1A		City Flint	State MI	Zip 48502
Authorizing CPA Signature 		Printed Name Tadd Harburn		License Number 1101014134

Financial Statements

Genesee County Building Authority
(A Component Unit of Genesee County)
Flint, Michigan

September 30, 2007

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Plante & Moran, PLLC

Suite 1A
111 E. Court St.
Flint, MI 48502
Tel: 810.767.5350
Fax: 810.767.8150
plantemoran.com

Independent Auditors' Report

To the Members of the Commission of the
Genesee County Building Authority

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Genesee County Building Authority (the Authority) (a component unit of Genesee County, Michigan) as of and for the year ended September 30, 2007, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Genesee County Building Authority, as of September 30, 2007, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis as identified in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Genesee County Building Authority's basic financial statements. The accompanying other supplemental information, as identified in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

March 6, 2008

Management's Discussion and Analysis

As management of the Genesee County Building Authority, we offer readers of the Genesee County Building Authority's financial statements this narrative overview and analysis of the financial activities of the Genesee County Building Authority. The Debt Service funds are used to record lease revenue and annual bond payments related to capital projects and the Capital Projects funds record the activity for the purchase and construction of buildings and major equipment purchases using the debt proceeds.

The basic financial statements for the Genesee County Building Authority are comprised of the governmental funds balance sheet/statement of net assets, combined statement of revenues, expenditures, and changes in fund balances-statement of activities and notes to the financial statements.

The statement of net assets presents the information of the governmental funds for both the assets and liabilities, with the difference between the two reported as net assets.

The statement of activities present information showing how the governmental funds net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the governmental funds financial statements.

Financial Highlights

The following table shows in a condensed format, the net assets of the current year compared with the prior year:

Summary Condensed Statement of Net Assets

	<u>2007</u>	<u>2006</u>
Current assets	\$ 432,046	\$ 666,197
Noncurrent assets	<u>13,500,000</u>	<u>16,055,000</u>
Total assets	<u>13,932,046</u>	<u>16,721,197</u>
Current liabilities	2,835,153	3,022,698
Long-term liabilities	<u>10,900,000</u>	<u>13,500,000</u>
Total liabilities	<u>13,735,153</u>	<u>16,522,698</u>
Net assets - unrestricted	<u>\$ 196,893</u>	<u>\$ 198,499</u>

Net assets decreased by \$1,606 to stand at \$196,893 at September 30, 2007 as Genesee County reduced leased payments paid to the Authority to reduce excess funds held by the Authority.

Total long-term debt decreased by debt principal payments of \$2,555,000.

The following table shows the revenue, expenses and changes in net assets of the current year compared with the prior year:

Condensed Statement of Activities

	<u>2007</u>	<u>2006</u>
Revenue:		
Program revenue:		
Financing income	\$627,689	\$ 595,762
General revenue – interest and other	<u>15,021</u>	<u>14,301</u>
Total revenue	<u>642,710</u>	<u>610,063</u>
Program expenses:		
General government	16,627	122,540
Debt service	<u>627,689</u>	<u>768,071</u>
	<u>644,316</u>	<u>890,611</u>
Decrease in net assets	(1,606)	(280,548)
Net assets – beginning	<u>198,499</u>	<u>479,047</u>
Net assets – ending	<u><u>\$196,893</u></u>	<u><u>\$ 198,499</u></u>

Total revenue increased by \$32,647 and total expenses decreased by \$246,295 due to a drop in the amount of outstanding debt that the Authority had relative to both years. In 2005 Genesee County undertook a bond defeasance which significantly reduced the amount of outstanding debt of the Authority and transferred some of the debt to the County.

Contacting the Authority's Management

The financial report is designed to provide a general overview of Genesee County Building Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, County of Genesee, 1101 Beach Street, Flint, MI 48502.

Building Authority
Governmental Funds Balance Sheet/Statement of Net Assets
September 30, 2007

	Major Funds		
	McCree Courts and Human Services Building Debt Service	Courthouse Square Debt Service	GCCARD
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other funds			
Due from other governments	-	-	-
Accrued interest receivable	-	-	-
Accrued lease receivable	-	-	-
Net lease receivable	3,225,000	6,005,000	2,320,000
Total assets	<u>\$ 3,225,000</u>	<u>\$ 6,005,000</u>	<u>\$ 2,320,000</u>
Liabilities			
Accrued interest payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Due to Genesee County	-	-	-
Deferred revenue	3,225,000	6,005,000	2,320,000
Bonds payable - Current	-	-	-
Bonds payable	-	-	-
Total liabilities	<u>3,225,000</u>	<u>6,005,000</u>	<u>2,320,000</u>
Fund Balances/Net Assets			
Fund balance - Unreserved, reported in capital projects	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,225,000</u>	<u>\$ 6,005,000</u>	<u>\$ 2,320,000</u>
Net assets - Unrestricted			
Total net assets			

The Notes to Financial Statements are an Integral Part of this Statement.

Non Major Governmental Funds	Total	Adjustments (Note 5)	Statement of Net Assets
\$ 190,720	\$ 190,720	\$ -	\$ 190,720
5,640	5,640	(5,640)	-
5,640	5,640	-	5,640
533	533	-	533
-	-	235,153	235,153
1,950,000	13,500,000	-	13,500,000
<u>\$ 2,152,533</u>	<u>\$ 13,702,533</u>	229,513	13,932,046

\$ -	\$ -	235,153	235,153
5,640	5,640	(5,640)	-
-	-	-	-
1,950,000	13,500,000	(13,500,000)	-
-	-	2,600,000	2,600,000
-	-	10,900,000	10,900,000
1,955,640	13,505,640	229,513	13,735,153

196,893	196,893	(196,893)	-
196,893	196,893	(196,893)	-
<u>\$ 2,152,533</u>	<u>\$ 13,702,533</u>		

196,893	196,893
<u>\$ 196,893</u>	<u>\$ 196,893</u>

Genesee County Building Authority
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances/ Statement of Activities
For the Year Ended September 30, 2007

	Major Funds			
	McCree Courts and Human Services Building Debt Service	Courthouse Square Debt Service	GCCARD	Non Major Governmental Funds
Revenues				
Program Revenue:				
Financing income - Lease charges:				
Genesee County	\$ 447,913	\$ 1,080,000	\$ 100,000	\$ 375,000
State of Michigan	246,705	-	-	-
City of Flint	305,382	-	-	-
Interest and fees on lease receivable	144,625	312,746	116,263	98,130
General Revenues:				
Interest income	-	-	-	15,021
Total revenues	1,144,625	1,392,746	216,263	488,151
Expenditures/Expenses				
Current:				
General government	-	-	-	3,114
Capital outlay	-	-	-	13,513
Debt service:				
Bond principal	1,000,000	1,080,000	100,000	375,000
Bond interest	144,400	312,196	115,988	97,555
Paying agent fees	225	550	275	575
Total expenditures/expenses	1,144,625	1,392,746	216,263	489,757
Deficiency of revenues over expenditures/expenses	-	-	-	(1,606)
Fund Balances/Net Assets - Beginning of year	-	-	-	198,499
Fund Balances/Net Assets - End of year	\$ -	\$ -	\$ -	\$ 196,893

The Notes to Financial Statements are an Integral Part of this Statement.

<u>Totals</u>	<u>Adjustments (Note 5)</u>	<u>Statement of Activities</u>
\$ 2,002,913	\$ (2,002,913)	\$ -
246,705	(246,705)	-
305,382	(305,382)	-
671,764	(44,075)	627,689
15,021	-	15,021
3,241,785	(2,599,075)	642,710
3,114	13,513	16,627
13,513	(13,513)	-
2,555,000	(2,555,000)	-
670,139	(44,075)	626,064
1,625	-	1,625
3,243,391	(2,599,075)	644,316
(1,606)	-	(1,606)
198,499	-	198,499
\$ 196,893	\$ -	\$ 196,893

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Genesee County Building Authority (the “Authority”) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the significant accounting policies used by the Genesee County Building Authority.

Reporting Entity

The Genesee County Building Authority was created in 1967, pursuant to the provisions of Act 31 of the Michigan Public Acts of 1945, First Extra Session. The Authority has no stockholders and all monies received are to be used for certain specified purposes in accordance with the agreement between the County of Genesee, the Authority, and its bondholders. The sole purpose of the Authority is to oversee the construction of selected county facilities from bonds or notes that are issued by the Authority on behalf of the County.

The Authority is a component unit of Genesee County (the County’s primary government) due to its financial relationship with the County. As such, its financial statements are included in the comprehensive annual financial report of the County as a blended component unit.

Government-wide and Fund Financial Statements

A combined presentation of the government-wide financial statements and the fund financial statements are reported.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include rental payments charged to Genesee County and other building tenants, which pays for the interest costs of the debt that was issued. Other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: interest associated with the current fiscal period.

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of accounting, and Financial Statement Presentation (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, are recorded only when payment is due.

The Authority reports the following major governmental funds:

McCree Courts and Human Service Building Debt Service - To account for the funding and payment of principal and interest on debt issued to finance the renovation of the former McCree Theater and Ward Building, under a lease-purchase arrangement with the Genesee County Building Authority.

Courthouse Square Debt Service - To account for the funding and payment of principal and interest on debt issued to finance construction of the new addition and the renovations needed to the Genesee County Courthouse, under a lease-purchase agreement with the Genesee County Building Authority.

GCARD Debt Service - To account for the funding and payment of principal and interest on debt issued to finance renovation of Genesee County Community Action Resource Department, under a lease-purchase agreement with the Genesee County Building Authority.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Authority's policy is to first apply restricted resources.

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments:

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and payables:

In general, outstanding balances between funds are reported as "due to/from other funds". All trade receivables are shown as net of allowance for uncollectible amounts.

Long-term obligations:

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Note 2 - Deposits

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivision, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The Authority's deposits and investment policies are in accordance with statutory authority.

The Authority's cash and cash equivalents consist mainly of various checking accounts and certificates of deposits.

The Authority has designated five banks for the deposit of its funds. The depositories are: Citizens Bank, Comerica Bank, JP Morgan Chase Bank, CTN Bank, and LaSalle Bank.

The Authority's cash and investments are subject to certain types of risk, which are examined in more detail below:

Custodial credit risk of bank deposits:

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the Authority's deposits was \$ 190,720 and the bank balance was \$ 291,058. Of the bank balance, \$ 131,058 was insured by F.D.I.C. insurance.

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 3 - Lease Contracts Receivable

The Authority has entered into various lease agreements with the County and other governments for buildings acquired or constructed by the Authority. These agreements generally terminate with the retirement of the related bond issues. Leases receivable are reported at an amount equal to the lesser of the actual bond-financed construction costs incurred to date less bond principal payments made to date or the outstanding bond principal. Annual lease payments under these agreements are equal to the related bond principal and interest due each year. At termination of a lease, title to the leased property is passed to the County or other government.

Under the accrual basis of accounting and the provisions of FASB (Financial Accounting Standards Board) Statement No. 13, *Accounting for Leases*, the Authority's leases are classified as sales leases. As a result, leases receivable are recognized in the accompanying statement of net assets, whereas capital assets are not.

All lease agreements provide for the lessee to use, operate and maintain the property, at its own expense, subject to the terms and conditions of the agreements.

The annual lease rentals are sufficient to repay the capitalized bond and interest payments. Revenue represented by the noncurrent portion of the lease receivable is deferred until it becomes a current revenue.

Future minimum lease payments scheduled to be received by the Authority are as follows:

Genesee County, McCree Courts and
Human Services Building:

2008	\$1,139,400
2009	1,143,000
2010	<u>1,143,300</u>
Total minimum lease payments	3,425,700
Less: unearned finance income	<u>200,700</u>
Present value of receivable under capital lease	<u><u>\$3,225,000</u></u>

1998 Revenue Refunding Bonds:

2008	\$ 160,715
2009	165,255
2010	164,210
2011	157,798
Future years	<u>364,000</u>
Total minimum lease payments	1,011,978
Less: unearned finance income	<u>166,978</u>
Present value of receivables under capital leases	<u><u>\$ 845,000</u></u>

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 3 - Lease Contracts Receivable (Continued)

Courthouse Square:	
2008	\$1,038,290
2009	<u>1,035,540</u>
Total minimum lease payments	2,073,830
Less: unearned finance income	<u>133,830</u>
Present value of receivable under capital leases	<u><u>\$1,940,000</u></u>
Series 2002-B/Courthouse Square:	
2008	\$ 357,066
2009	359,866
2010	362,266
2011	364,266
Future years	<u>4,275,233</u>
Total minimum lease payments	5,718,697
Less: unearned finance income	<u>1,653,697</u>
Present value of receivable under capital lease	<u><u>\$4,065,000</u></u>
GCCARD Facility:	
2008	\$ 221,688
2009	221,848
2010	221,673
2011	221,273
Future years	<u>2,446,156</u>
Total minimum lease payments	3,332,638
Less: unearned finance income	<u>1,012,638</u>
Present value of receivable under capital lease	<u><u>\$2,320,000</u></u>

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 3 - Lease Contracts Receivable (Continued)

Burton Clinic:	
2008	\$ 247,200
2009	244,820
2010	247,050
2011	248,690
Future years	<u>249,720</u>
Total minimum lease payments	1,237,480
Less: unearned finance income	<u>132,480</u>
Present value of receivable under capital lease	<u>\$ 1,105,000</u>
Total present value of all receivables under capital lease	<u>\$13,500,000</u>

Note 4 - Bonds Payable

A. Changes in long-term debt:

Changes in long-term debt for the year ended September 30, 2007, are detailed below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
General debt	\$16,055,000	\$ -	\$(2,555,000)	\$13,500,000	\$2,600,000

B. McCree Courts and Human Services Building:

Series 2004 Refunding Bonds

The Series 2004 Refunding Bonds were issued to partially defease the 1994-D Building Authority Bonds. The Series 2004 Refunding Bonds are collateralized by the lease agreement with Genesee County. The bonds mature as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Total Interest Due</u>	<u>Principal Due May 1</u>	<u>Total</u>
2008	4.00	\$ 52,200	\$ 52,200	\$104,400	\$1,035,000	\$1,139,400
2009	4.00-2.75	31,500	31,500	63,000	1,080,000	1,143,000
2010	2.75-3.00	<u>16,650</u>	<u>16,650</u>	<u>33,300</u>	<u>1,110,000</u>	<u>1,143,300</u>
Total		<u>\$100,350</u>	<u>\$100,350</u>	<u>\$200,700</u>	<u>\$3,225,000</u>	<u>\$3,425,700</u>

The bonds are not subject to redemption prior to maturity.

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 4 - Bonds Payable (Continued)

C. Series 1998 Revenue Refunding Bonds:

The Series 1998 Revenue Refunding Bonds were issued to partially defease the Series 1989-A, Series 1991-A, Series 1991-B, Series 1992, Series 1994, and Series 1995 Revenue Bonds. The Revenue Refunding Bonds are collateralized by the lease agreement with the County of Genesee. The 1998 Revenue Refunding Bonds mature as follows:

1998 Refunding Bonds

<u>Year</u>	<u>Interest Rate</u>	<u>Interest Due May 1</u>	<u>Interest Due November 1</u>	<u>Total Interest Due</u>	<u>Principal Due May 1</u>	<u>Total</u>
2008	4.55	\$ 20,357	\$ 20,357	\$ 40,714	\$120,000	\$ 160,714
2009	4.65	17,628	17,628	35,256	130,000	165,256
2010	4.75	14,605	14,605	29,210	135,000	164,210
2011	4.85	11,399	11,399	22,798	135,000	157,798
2012	5.00	8,125	8,125	16,250	85,000	101,250
2013	5.00	6,000	6,000	12,000	85,000	97,000
2014	5.00	3,875	3,875	7,750	95,000	102,750
2015	5.00	1,500	1,500	3,000	60,000	63,000
		<u>\$ 83,489</u>	<u>\$ 83,489</u>	<u>\$166,978</u>	<u>\$845,000</u>	<u>\$1,011,978</u>

Bonds maturing through May 1, 2008 shall not be subject to redemption prior to maturity. Bonds maturing on or after May 1, 2009 are subject to redemption prior to maturity in any order, on any one or more interest payment dates on or after May 1, 2008, at par and accrued interest.

D. 1999 Building Authority Bonds:

In June of 2005, Genesee County issued General Obligation Refunding Bonds, Series 2005 to refund the portion of the 1999 Building Authority Bonds, maturing in the years 2010 through 2019, and to pay the costs of issuance related thereto. The 1999 Building Authority Bonds are collateralized by the lease agreement with the County of Genesee. The 1999 Bonds mature as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Interest Due May 1</u>	<u>Interest Due November 1</u>	<u>Total Interest Due</u>	<u>Principal Due May 1</u>	<u>Total</u>
2008	4.50	\$ 44,145	\$ 44,145	\$ 88,290	\$ 950,000	\$1,038,290
2009	5.20	22,770	22,770	45,540	990,000	1,035,540
		<u>\$ 66,915</u>	<u>\$ 66,915</u>	<u>\$133,830</u>	<u>\$1,940,000</u>	<u>\$2,073,830</u>

The bonds are not subject to redemption prior to maturity.

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 4 - Bonds Payable (Continued)

E. 2002 Building Authority Bonds:

The 2002 Bonds were issued to acquire, construct, furnish, and equip two buildings to be used as office space for the GCCARD. The 2002 Bonds are collateralized by the lease agreements with the County of Genesee. The 2002 Bonds mature as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Interest Due May 1</u>	<u>Interest Due November 1</u>	<u>Total Interest Due</u>	<u>Principal Due May 1</u>	<u>Total</u>
2008	4.40	55,844	55,844	111,688	110,000	221,688
2009	4.50	53,424	53,424	106,848	115,000	221,848
2010	4.50	50,836	50,836	101,672	120,000	221,672
2011	4.60	48,136	48,136	96,272	125,000	221,272
2012	4.60	45,261	45,261	90,522	130,000	220,522
2013	4.60	42,271	42,271	84,542	135,000	219,542
2014	4.70	39,166	39,166	78,332	145,000	223,332
2015	4.80	35,759	35,759	71,518	150,000	221,518
2016	4.85	32,159	32,159	64,318	160,000	224,318
2017	4.90	28,279	28,279	56,558	165,000	221,558
2018	4.95	24,236	24,236	48,472	175,000	223,472
2019	5.00	19,905	19,905	39,810	185,000	224,810
2020	5.00	15,280	15,280	30,560	195,000	225,560
2021	5.05	10,405	10,405	20,810	200,000	220,810
2022	5.10	5,355	5,355	10,710	210,000	220,710
		<u>\$506,316</u>	<u>\$506,316</u>	<u>\$1,012,632</u>	<u>\$2,320,000</u>	<u>\$3,332,632</u>

Bonds maturing prior to May 1, 2013, are not subject to redemption prior to maturity. Bonds maturing on and after May 1, 2013, are subject to redemption prior to maturity, at the option of the Authority, in such order as shall be determined by the Authority, in whole or in part, on any one or more interest payment dates, on and after May 1, 2012, in integral multiples of \$5,000 and by lot within a maturity, at the par value of the bond or portion of the bond called to be redeemed plus accrued interest to the date fixed for redemption.

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 4 - Bonds Payable (Continued)

F. 2001 Building Authority Bonds:

The 2001 Bonds were issued to construct, furnish, and equip the Burton Health Center. The 2001 Bonds are collateralized by the lease agreements with the County of Genesee. The 2001 Bonds mature as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Interest Due May 1</u>	<u>Interest Due November 1</u>	<u>Total Interest Due</u>	<u>Principal Due May 1</u>	<u>Total</u>
2008	3.60	\$ 21,100	\$ 21,100	\$ 42,200	\$ 205,000	\$ 247,200
2009	3.70	17,410	17,410	34,820	210,000	244,820
2010	3.80	13,525	13,525	27,050	220,000	247,050
2011	3.90	9,345	9,345	18,690	230,000	248,690
2012	4.05	4,860	4,860	9,720	240,000	249,720
		<u>\$ 66,240</u>	<u>\$ 66,240</u>	<u>\$132,480</u>	<u>\$1,105,000</u>	<u>\$1,237,480</u>

The bonds are not subject to redemption prior to maturity.

G. Series 2002-B Building Authority Bonds:

The 2002-B Bonds were issued for the purpose of defraying the cost of constructing, furnishing, and equipping improvements to the Genesee County Courthouse; to pay the costs of issuing the Bonds; and to pay the first interest payments due May 1, 2003 and November 1, 2003. The 2002-B Building Authority Bonds are collateralized by the lease agreement with the County of Genesee. The 2002-B Bonds mature as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Interest Due May 1</u>	<u>Interest Due November 1</u>	<u>Total Interest Due</u>	<u>Principal Due May 1</u>	<u>Total</u>
2008	4.00	\$ 88,533	\$ 88,533	\$ 177,066	\$ 180,000	\$ 357,066
2009	4.00	84,933	84,933	169,866	190,000	359,866
2010	4.00	81,133	81,133	162,266	200,000	362,266
2011	4.00	77,133	77,133	154,266	210,000	364,266
2012	4.00	72,933	72,933	145,866	220,000	365,866
2013	4.00	68,533	68,533	137,066	235,000	372,066
2014	4.13	63,833	63,833	127,666	245,000	372,666
2015	4.25	58,780	58,780	117,560	260,000	377,560
2016	4.30	53,255	53,255	106,510	270,000	376,510
2017	4.40	47,450	47,450	94,900	285,000	379,900
2018	4.50	41,180	41,180	82,360	300,000	382,360
2019	4.63	34,430	34,430	68,860	320,000	388,860
2020	4.65	27,030	27,030	54,060	375,000	429,060
2021	4.70	18,311	18,311	36,622	380,000	416,622
2022	4.75	9,382	9,382	18,764	395,000	413,764
		<u>\$826,849</u>	<u>\$826,849</u>	<u>\$1,653,698</u>	<u>\$4,065,000</u>	<u>\$5,718,698</u>

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 4 - Bonds Payable (Continued)

G. Series 2002-B Building Authority Bonds (Continued):

Bonds maturing prior to May 1, 2013, are not subject to redemption prior to maturity. Bonds maturing on and after May 1, 2013, are subject to redemption prior to maturity, at the option of the Authority, in such order as shall be determined by the Authority, in whole or in part, on any one or more interest payment dates, on and after May 1, 2012, in integral multiples of \$5,000 and by lot within a maturity, at the par value of the bond or portion of the bond called to be redeemed plus accrued interest to the date fixed for redemption.

H. Bond fund principal requirements are as follows:

2008	\$ 2,600,000
2009	2,715,000
2010	1,785,000
2011	700,000
2012	675,000
2011 and after	<u>5,025,000</u>
	<u><u>\$13,500,000</u></u>

Note 5 - Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between governmental fund balance sheet and the government-wide statement of net assets:

The government fund balance sheet includes an adjustments column to reconcile between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. An explanation of the adjustments is as follows:

Total Government Funds fund balance at September 30, 2007	\$ 196,893
Long-term debt is not due and payable in the current year and therefore is not reported in the funds.	13,500,000
Lease revenue related to future years is not a current resource and therefore, deferred in the funds, however, the amounts are economic resources that are available to pay the long-term debt.	<u>(13,500,000)</u>
Total net assets at September 30, 2007	<u><u>\$ 196,893</u></u>

Genesee County Building Authority
Notes to Financial Statements
September 30, 2007

Note 5 - Reconciliation of Government-wide and Fund Financial Statements (Continued)

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes an adjustment column to reconcile between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. An explanation of the adjustments is as follows:

Excess of revenues and other sources over expenditures and other uses	\$ (1,606)
Lease revenue received to pay the principal on long-term debt is a current financial resource for the funds but is not for the government-wide financial statements since it already has been accrued in a prior period to pay the principal.	(2,555,000)
Bond principal paid is a use of current financial resources for the funds, but the debt is on the balance sheet for the statement of net assets and therefore, is reclassified	<u>2,555,000</u>
Change in net assets	<u>\$ (1,606)</u>

Note 6 - Maintenance of Leased Property

All lease agreements with the County of Genesee state that the County will use, operate, and maintain the land and structures owned by the Authority. The County, at its expense, shall pay all ordinary operating, repair, and maintenance expenses.

Financial Statements of Nonmajor Funds

Genesee County Building Authority
Nonmajor Debt Service and Capital Projects Funds
Combining Balance Sheet
September 30, 2007

	Debt Service	
	Burton Clinic	1998 Refunding Bonds Debt Service
Assets		
Cash and cash equivalents	\$ -	\$ -
Accrued interest receivable	-	-
Net lease receivable	1,105,000	845,000
Due from other funds	-	-
Due from other governments	-	5,640
Total assets	\$ 1,105,000	\$ 850,640
Liabilities and Fund Balances		
Liabilities:		
Due to other funds	\$ -	\$ 5,640
Deferred revenue	1,105,000	845,000
Total liabilities	1,105,000	850,640
Fund balances:		
Unreserved - Undesignated	-	-
Total liabilities and fund balances	\$ 1,105,000	\$ 850,640

Capital Projects

<u>Courthouse Square</u>	<u>Soil Decontamination</u>	<u>Total</u>
\$ 175,398	\$ 15,322	\$ 190,720
533	-	533
-	-	1,950,000
-	5,640	5,640
-	-	5,640
\$ 175,931	\$ 20,962	\$ 2,152,533

\$ -	\$ -	\$ 5,640
-	-	1,950,000
-	-	1,955,640

175,931	20,962	196,893
\$ 175,931	\$ 20,962	\$ 2,152,533

Genesee County Building Authority
Non-Major Debt Service and Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2007

	Debt Service	
	Burton Clinic	1998 Refunding Bonds
Revenues		
Financing income:		
Lease charges:		
Genesee County	\$ 195,000	\$ 180,000
Interest and fees on lease receivable	49,105	49,025
Interest on investments	-	
Total revenues	244,105	229,025
Expenditures		
Current:		
General government	-	-
Capital outlay	-	-
Debt service:		
Bond principal	195,000	180,000
Bond interest	48,830	48,725
Paying agent fees	275	300
Total expenditures	244,105	229,025
Excess (deficiency) of revenues over expenditures	-	-
Fund Balances - Beginning of year	-	-
Fund Balances - End of year	\$ -	\$ -

Capital Projects		
Courthouse Square	Soil Decontamination	Total
\$ -	\$ -	\$ 375,000
-	-	98,130
13,541	1,480	15,021
13,541	1,480	488,151
-	3,114	3,114
12,500	1,013	13,513
-	-	375,000
-	-	97,555
-	-	575
12,500	4,127	489,757
1,041	(2,647)	(1,606)
174,890	23,609	198,499
\$ 175,931	\$ 20,962	\$ 196,893